



Waterbury Regional Chamber
driving business to business

**STATEMENT OF JOHN DICARLO, PUBLIC POLICY & ECONOMIC
DEVELOPMENT DIRECTOR of the WATERBURY REGIONAL CHAMBER before the
LABOR AND PUBLIC EMPLOYEES COMMITTEE on HOUSE BILL 5069 (RAISED)
AN ACT AN ACT CONCERNING LOW WAGE EMPLOYERS..**

February 27, 2014

Senator Osten, Representative Tercyak and members of the Labor and Public Employees Committee, thank you for receiving my statement as part of public input for House Bill 5069. The Waterbury Regional Chamber, which serves 13 towns in the Greater Waterbury region and represents the collective interests of more than 1,000 businesses in matters of public policy and economic development, strongly opposes this legislation.

As many of the jobs provided by the employers who would be impacted are part time or entry level, it is important to note that these workers are not collecting some form of state aid. In fact, many are teenagers and college students and do not serve as a primary family breadwinner. The immediate impact of approving this legislation would include owners increasing their prices or reducing costs by cutting hours and hiring. It will also effectively raise performance expectations for those seeking to enter the workforce and encourage innovation in the delivery of service that eliminates employee roles.

In addition, this legislation would also convey the wrong message to large employers and those near the 500-employee threshold that Connecticut is continuing to pursue measures that increase the cost of doing business. The subsequent impact on business-friendliness rankings would also continue negatively impact investment in our state.

The Waterbury Regional Chamber is proud to be a partner in the CT20x17 Campaign. One of the key points in this initiative designed to accelerate our state's economic recovery calls for reducing business costs and removing unnecessary employer mandates. To that end, rather than a step forward in this regard, HB 5069 represents a step backward.

Sincerely,

John DiCarlo
Public Policy & Economic Development Director, Waterbury Regional Chamber



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STATEMENT OF JOHN DICARLO, PUBLIC POLICY & ECONOMIC DEVELOPMENT DIRECTOR of the WATERBURY REGIONAL CHAMBER for the LABOR AND PUBLIC EMPLOYEES COMMITTEE on SB 32 (RAISED) AN ACT AN ACT CONCERNING WORKING FAMILIES' WAGES.

February 27, 2014

Senator Osten, Representative Tercyak and members of the Labor and Public Employees Committee. Thank you for receiving my statement as part of public input for this proposed legislation. The Waterbury Regional Chamber, which serves 13 towns in the Greater Waterbury region and represents the collective interests of more than 1,000 businesses in matters of public policy and economic development, strongly opposes SB 32.

According to the Employment Policies Institute, a January 2014 study by San Diego State University professor Joseph Sabia, Ph.D. analyzed U.S Census Bureau data to measure the impact of a higher minimum wage in periods of strong and weak economic growth. The results indicate that raising the minimum wage is particularly risky in times of weak economic growth. During the past two decades, each 10 percent increase in the minimum wage, reduced employment for less-educated young adults by as much as 2.3 percent.

This top-line result masks important variation in the effects of the minimum wage that depends on the economy. In tight labor markets -- when prime-age (age 25-54) male unemployment is below five percent -- the minimum wage reduces employment for young drop-outs by roughly two percent. However, in weak labor markets -- when the prime-age male unemployment jumps above eight percent -- the impact of a higher minimum wage more than doubles. Specifically, each 10 percent minimum wage increase reduces employment for young drop-outs by over four percent. The results indicate that raising the minimum wage hurts the employees it's intended to help.

In addition, Waterbury has the unfortunate distinction as the labor market with the state's highest unemployment rate for more than a decade. Passage of this legislation would create yet another obstacle to our region's efforts to move itself out of this ranking as well as convey to businesses that state policy will directly continue increasing the cost of doing business with every given year.

Sincerely,

John DiCarlo
Public Policy & Economic Development Director, Waterbury Regional Chamber